

INTELLOFAX 18

50X1-HUM

FORM NO. 51-AAA
FEB 1952

CENTRAL INTELLIGENCE AGENCY

CLASSIFICATION

SECRET/CONTROL - U.S. OFFICIALS ONLY
SECURITY INFORMATION**INFORMATION REPORT**

REPORT

CD NO.

COUNTRY Germany (Russian Zone)

DATE DISTR. 22 May 1952

SUBJECT State Planning Commission Staff
Conference

NO. OF PAGES 3

DATE OF
INFO.NO. OF ENCLS.
(LISTED BELOW)PLACE
ACQUIRESUPPLEMENT TO
REPORT NO.

50X1-HUM

THIS IS UNEVALUATED INFORMATION

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE
OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793
AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVE-
LATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS
PROHIBITED BY LAW. THE REPRODUCTION OF THIS FORM IS PROHIBITED.

50X1-HUM

50X1-HUM

1. A meeting was called in the State Planning Commission on 13 February 1952 by the Chairman, Heinrich Rau

2. The meeting opened with a long speech by Rau. He said that he was pleased to note that the 1952 Plan had been better prepared than the one for 1951 in that there had been greater attention to detail. He felt this was because those responsible had improved their grasp of economic practice and theory and he hoped that they had taken the recommendations of the 6th Congress of the Central Committee of the SED to heart. In spite of this improvement, however, he considered that there was still plenty of room for improvement and went on to criticize their work in considerable detail.
3. Rau's criticisms included the following:
 - a. The coordination of transportation needs had been inefficiently managed and cases repeatedly occurred of freight trucks lying idle in one place, when they were urgently required in another; this had been most noticeable in January and February, 1952.
 - b. Insufficient thought had been given to the problems of procurement; Rau quoted the present meat shortage as an illustration and said that as a result of his own personal investigations he had found there was a difference of 90,000 head of cattle between what was planned for distribution in the first quarter of 1952 and what could actually be delivered.* He blamed the State Secretariat for Supply and the Ministry of Agriculture and Forestry for this discrepancy.

CLASSIFICATION

SECRET/CONTROL - US. OFFICIALS ONLY

STATE	X	NAVY	X	NSRB															
ARMY	X	AIR	X	FBI															

~~SECRET~~/CONTROL - U.S. OFFICIALS ONLY

- 2 -

- c. There had been far too little cross-checking of the estimates given for industrial production capacity. Rau did not think there was one department of the State Planning Commission which, if called upon to do so, could give capacity figures that would bear close examination for the branch of industry for which it was responsible. He cited the chemical branch which had grossly overestimated soda production as an example.
 - d. There had been insufficient spot-checking of stocks returns; he himself had found a difference of no less than 300,000 tons (800,000 instead of the 500,000 reported) in the rolling mills stocks at the end of 1951.
 - e. The work of the Central Statistical Office was most unsatisfactory; not only were their figures rarely reliable but the style of their reports was poor. Director Scholz was blamed for not showing more initiative in dealing with these faults.**
4. In the second part of his speech, Rau spoke of the duties and obligations of the staff of the State Planning Commission and its associated organizations and mentioned in particular:
- a. It was the duty of all section chiefs (Abteilungsleiter) to have all contributions to the press approved by the Press Section (Presse-Abteilung) before submission: this was most important in order to prevent secret data leaking out. Such data had on various occasions reached the press and had sometimes even been published.
 - b. It was important that when making duty trips to plants and factories, specialists (Sachbearbeiter) should consider the political aspect of their work. Their first duty on each visit was to see the trade unions leader in order to assess the current attitude of the workers.
 - c. Changes in the economic plan for the year must not be made without the express approval of Rau himself: several cases of such action had occurred in 1951 but any future case would be dealt with very severely.
 - d. Suggestions by each Abteilungsleiter for the saving of electric current were solicited. This was an urgent problem which they, as planners, ought to give particular thought to.
5. In the last part of his speech Rau announced some plans for the staff of the Commission:
- a. A detailed program of the work of each member of the Commission is to be drawn up: this should include not only the member's economic but also his political duties.
 - b. The individual members of each department are to be allotted particular parts of the investment plan of the most important new enterprises such as Lauchhammer, Eisenkombinat Ost, etc. in which they are to take a personal interest quite apart from their ordinary routine work; they will attend all special meetings at the Planning Commission concerned with that particular plant and occupy themselves in assisting to overcome obstacles. State Secretary Strassenberger will coordinate this work.***
 - c. A program for the development of housing and cultural activities (Wohnungs- und Kultur- Aufbau programm) for about twenty of the key plants in the DDR is planned for 1953. The program will be run on similar lines to the Berlin reconstruction plan. It is the duty of every member of the staff to start considering ways and means of carrying this through and suggestions (with drawings where necessary) should be handed in by the end of the year.
 - d. It is the duty of each section leader (Abteilungsleiter) to appoint, as soon as possible, a member of the FDJ**** as his principal agent and to train him in the work of the department.

~~SECRET~~/CONTROL - U.S. OFFICIALS ONLY

~~SECRET~~/CONTROL - U.S. OFFICIALS ONLY

- 3 -

- * Comment: Rau also mentioned in connection with the meat supply, that the "food subsidy" would have to stop soon.
- ** Comment: [redacted] Rau's criticism of the work of the Central Statistical Office [redacted] the office was full of amateurs. The SPC manages by obtaining its own data directly when possible. 50X1-HUM
- *** Comment: The plan for members of the SPC staff to take a personal interest in key plants was suggested by the four-man commission recently set up under the chairmanship of Fritz Selbmann, Minister of Metallurgy and Ore Mining. 50X1-HUM
- **** Comment: Frei Deutsche Jugend.

~~SECRET~~/CONTROL - U.S. OFFICIALS ONLY